

## [EXTERNAL] Appointment Request

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**From:** "Livingston, Robert" <rlivingston@livingstongroupdc.com>  
**To:** "Lighthizer, Robert E. EOP/USTR" <robert.e.lighthizer@ustr.eop.gov>  
**Cc:** "Mullaney, Dan D. EOP/USTR" <daniel\_mullaney@ustr.eop.gov>  
**Date:** Mon, 26 Mar 2018 09:28:44 -0400  
**Attachments:** North American Interpipe, Inc..pdf (21.55 kB); Ukraine-OCTG 2017.docx (49.86 kB)

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Mr. Robert Lighthizer, United States Trade Representative  
c/o Daniel Mullaney, Assistant USTR

Dear Bob:

The Livingston Group represents North American Interpipe, Inc. (NA Interpipe), the Texas-based counterpart of Interpipe, a Ukrainian steel pipe producer that exports oil country tubular goods (OCTG) to the United States. NA Interpipe is headquartered in Houston and works with US pipe processors in the Houston-area to deliver OCTG to customers in Texas, as well as California, Colorado, Louisiana, New Mexico, North Dakota, Oklahoma and Pennsylvania.

NA Interpipe is concerned about the executive order announced by the President, which establishes a 25 percent tariff on steel imports imposed under the authority of Section 232, effective today, March 23, 2018. We understand that Ukrainian steel products are not exempted; however, currently temporary exemptions through May 1 have been granted to Canada, Mexico, the European Union, Australia, Argentina, Brazil, and South Korea. As illustrated in the attached chart: "US OCTG Imports 2017," these seven entities were responsible for over 77% of US OCTG imports in 2017. Ukrainian OCTG represents only 1.06% of US total OCTG imports.

NA Interpipe is uniquely positioned because Ukrainian OCTG is already subject to the terms of a suspension agreement, which enforces both price and volume discipline and which was agreed to in 2014 and extended in 2017 "based on the unique facts and circumstances in Ukraine," to wit: the 2014 annexation of Crimea and Russian aggression against Ukraine, which continues today.

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Dan Valk, President of NA Interpipe is available to meet with you on Wednesday, March 28, to discuss how this might become a consideration for an exemption or an exception for Ukrainian OCTG steel imports.

Please contact Jane Graham at 202-289-9881 ext. 3122 regarding your availability to meet on Wednesday, March 28<sup>th</sup>.

Sincerely,

Bob Livingston  
The Livingston Group  
202-289-9881

## **North American Interpipe, Inc. (NA Interpipe)**

North American Interpipe, Inc. (NA Interpipe) is the Texas-based counterpart of Interpipe, a Ukrainian steel pipe producer that exports Oil Country Tubular Goods (OCTG) to the United States.

NA Interpipe established its headquarters in Houston, Texas in 2001. The company works with various pipe processors in the Houston-area, including Tubular Services, Inc. (TSI), at both the McCarty Tubing Plant and Bear Bayou Casing Plant locations; Republic Tube; Texas Steel Conversion, Inc.; Tejas Tubular; and Splendora Pipe Services.

In addition to the pipe processors, NA Interpipe contracts with other companies integral to the business, including but not limited to coupling, inspections, and transportation companies. All together NA Interpipe supports thousands of US jobs through partnerships with US businesses to effectively fulfill its customers' needs.

Geographically, NA Interpipe delivers product to locations on the West Coast, East Coast, Rocky Mountains, and in West and South Texas. In addition to Texas, NA Interpipe mainly delivers to California, Colorado, Louisiana, New Mexico, North Dakota, Oklahoma, and Pennsylvania. It also delivers to Montana, Nebraska, and Wyoming.

## **Background**

In February 2014, Russia illegally annexed Crimea from Ukraine. A month later, Russian-backed separatist movements began a still-ongoing insurgency in eastern Ukraine, including in Donetsk and Luhansk, Ukraine's industrial heartland.

To-date, sanctions imposed by the US and EU have not prompted Russia to abandon its support for the separatists or fulfill its commitments under the Minsk agreements.

Ukraine is in economic crisis. As a result of Russian aggression, Ukrainian GDP has plummeted from \$183 billion in 2013 to \$93 billion in 2016. Interpipe's production of OCTG is forty (40) percent lower since the pre-invasion year of 2013.

## **US Commitment to Ukraine**

Recognizing the difficulty and importance of Ukraine's political and economic situation, the US Administration and Congress have increased efforts in support of Ukraine.

The Department of Commerce (Commerce) first issued and then extended a July 2014 Antidumping Duty Suspension Agreement on OCTG from Ukraine to the United States until July 2018, in recognition of the difficult continuing situation in Ukraine.

The US has strengthened its commitment to Ukraine through the European Deterrence Initiative (EDI). In 2017, the US Administration requested an increase in its budget toward the EDI and included \$150 million to help Ukraine build its capacity to defend its territorial integrity.

In a November 2017, Secretary of State Rex Tillerson remarked on the EDI and the US commitment to Ukraine: “The United States recognizes that the war in Ukraine – in which people are still dying every day – must come to an end. We have repeatedly urged Russia to begin the path to peace by honoring its commitments under the Minsk agreements. Any resolution of the war that does not entail a fully independent, sovereign, and territorially whole Ukraine is unacceptable.” The Secretary reiterated that “Minsk-related sanctions will remain in place until Russia reverses the actions that triggered them.”

The Department of State notified Congress on December 13, 2017 that it had approved an export license which allows Ukraine to buy certain light weapons and small arms from US manufacturers.

## **Section 232**

Section 232 of the Trade Expansion Act of 1962 authorizes the Secretary of Commerce to conduct comprehensive investigations to determine the effects of imports of any article on the national security of the United States.

On January 11, Commerce Secretary Ross submitted to President Trump the results of Commerce’s investigation into the effect of steel mill product imports on US national security. We are now within a 90-day response period for inter-agency discussion and weigh-in.

Should Commerce Secretary Ross’ recommendation to the President restrict Ukrainian imports from Interpipe under Section 232, it compromises NA Interpipe’s ability to do business and fulfill its contracts with its business partners throughout the US, predominantly in the oil and gas industry. It also undermines Ukraine by disrupting Interpipe, which is as a top employer in Ukraine, providing for 20,000 jobs.

The Section 232 steel investigation and anticipated trade restrictions could limit Ukraine’s ability to export OCTG if not properly exempted. Failure to exempt Ukraine from Section 232 trade restrictions would be contrary to stated US geostrategic policy toward Ukraine. If Ukraine is not exempted and the Suspension Agreement on OCTG not extended beyond July 2018, it can be perceived as an endorsement of and support for Russian aggression against Ukraine.

## **Suspension Agreement on OCTG**

Since July 2014, fair trade in OCTG between Ukraine and the United States has been governed by a Suspension Agreement between Commerce and NA Interpipe and Interpipe (collectively, Interpipe). OCTG produced and exported by Interpipe accounts for substantially all US imports of OCTG from Ukraine. The terms of the Suspension Agreement guarantee that Interpipe’s sales are made at a high value to ensure no harm to US producers.

The 2014 Suspension Agreement reflected the economic turbulence caused by Russian aggression in Crimea and in eastern Ukraine. In July 2017, Commerce signed an agreement to extend the Suspension Agreement by one year until July 10, 2018.

The Suspension Agreement currently in place allows Ukraine to make limited sales of OCTG at fair prices determined by Commerce, which are set in advance and high enough to eliminate any possibility of unfair pricing or dumping. Interpipe is recognized by Commerce as an exemplary partner in fulfilling the terms of the Suspension Agreement.

A request for at least a five year extension was submitted to Commerce in November 2017. Both the Prime Minister and the First Vice Prime Minister/Minister of Economic Development and Trade of Ukraine have formally opined in writing to the importance of the Suspension Agreement to Ukraine.

The impact of Ukrainian sales of OCTG on the US steel sales is insignificant. Sales of OCTG from Ukraine accounted for only one half of one percent of the US market in 2016. At the same time they are very significant to the Ukrainian economy and local economies in the United States. As stated, Interpipe provides for 20,000 jobs in Ukraine, and NA Interpipe supports over 10,000 US jobs.

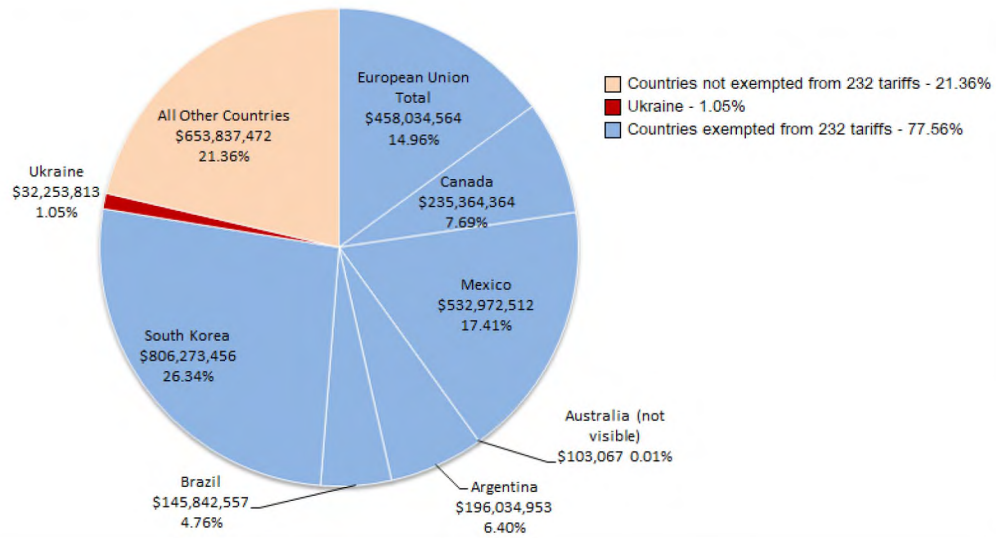
## **Conclusion**

Section 232 and the Suspension Agreement on OCTG are instruments under two separate statutes. It is important that the United States demonstrate consistent support for Ukraine by not restricting Interpipe's imports either through the 232 process or by not extending the Suspension Agreement.

US trade policy should reflect America's support of Ukraine. Unless the US acts to exempt Ukraine and/or OCTG products from anticipated 232 steel restrictions and to continue the Suspension Agreement on OCTG, US trade policy will inadvertently become a tool of Russian aggression against Ukraine.

## Total US Imports of OCTG 2017

\*Total OCTG Imports in 2017 were \$3,060,716,758



## [EXTERNAL] RE: Meeting request for Ukrainian Trade Representative Natalia Mykolska

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**From:** "Livingston, Robert" <rlivingston@livingstongroupdc.com>  
**To:** "Guy, Trevor T. EOP/USTR" <justin.t.guy@ustr.eop.gov>, "Bacak, Abigail R. EOP/USTR" <abigail.r.bacak@ustr.eop.gov>  
**Cc:** "Fitz-Pegado, Lauri" <lfitzp@livingstongroupdc.com>, "Kingsbury, Cathryn" <ckingsbury@livingstongroupdc.com>, "Graham, Jane" <jgraham@livingstongroupdc.com>  
**Date:** Fri, 18 May 2018 17:31:49 -0400

Thanks very much, Mr. Guy. I'm sorry it didn't work out.

Bob L

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**From:** Guy, Trevor T. EOP/USTR [mailto:Justin.T.Guy@ustr.eop.gov]  
**Sent:** Friday, May 18, 2018 4:27 PM  
**To:** Livingston, Robert; Bacak, Abigail R. EOP/USTR  
**Cc:** Fitz-Pegado, Lauri; Kingsbury, Cathryn; Graham, Jane  
**Subject:** RE: Meeting request for Ukrainian Trade Representative Natalia Mykolska

Good Evening Mr. Livingston,

Thank you for your message. Unfortunately the Ambassador is unavailable to meet during the timeframe in which Deputy Minister Mykolska will be in DC. Our deepest apologies for the inconvenience.

Best Wishes,

Trevor Guy.

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**From:** Livingston, Robert <rlivingston@livingstongroupdc.com>  
**Sent:** Friday, May 18, 2018 9:54 AM  
**To:** Bacak, Abigail R. EOP/USTR <Abigail.R.Bacak@ustr.eop.gov>; Guy, Trevor T. EOP/USTR <Justin.T.Guy@ustr.eop.gov>  
**Cc:** Fitz-Pegado, Lauri <lfitzp@livingstongroupdc.com>; Kingsbury, Cathryn <ckingsbury@livingstongroupdc.com>; Graham, Jane <jgraham@livingstongroupdc.com>  
**Subject:** [EXTERNAL] Meeting request for Ukrainian Trade Representative Natalia Mykolska

Honorable Robert Lighthizer  
US. Trade Representative  
c/o Abigail Bacak, Trevor Guy

Dear Mr. Lighthizer:

The Livingston Group provides representation for the Association of Enterprises Ukrmetalurgprom, a Ukrainian trade association, in order to advance the bilateral trade relationship between the Governments of the United States and Ukraine.

The Ukrainian trade association and Natalia Mykolska, Deputy Minister of Economic Development and Trade and Trade Representative of Ukraine will be in Washington, DC on Wednesday, May 23 and Thursday, May 24. The Deputy Minister will be participating in the US-Ukraine Working Group on the Promotion of Bilateral Trade as part of the US-Ukraine Trade and Investment Council.

The Deputy Minister and the Ukrainian trade association would like to discuss with you the implications of Section 232, which imposes a 25 percent tariff on steel imports from Ukraine, as it relates to our bilateral relationship.

It is critical that the United States exempt Ukraine from the 25 percent tariff on imported steel given the importance of our strategic partnership, and as Ukraine continues to sustain aggression from Russia, resulting in dire economic and political consequences. Further, given Ukraine currently complies with the price and volume levels required for steel imports from Ukraine as outlined by the Department of Commerce under two active suspension agreements.

Ukrainian steel imports only account for 0.3 percent of all iron and steel imports to the United States. However, Ukrainian metallurgy constitutes nearly 25 percent of Ukraine's commodity exports and supports 250,000 jobs in Ukraine. The metallurgical industry and the Ukrainian economy as whole are under constant pressure given continuing economic and territorial aggression by Russia.

While being constantly targeted by Russia, Ukraine counts on the continued support of friends and partners, most notably the United States.

We kindly request your consideration of a meeting with the Deputy Minister and delegation on Wednesday, May 23 (11am-2pm) or Thursday, May 24 (9am-5pm). Ms. Jane Graham (jgraham@livingstongroupdc.com) in my office is available to arrange a day and time on their behalf.

Sincerely yours,  
Bob Livingston

Robert L. Livingston  
Founding Partner  
The Livingston Group, LLC  
(202) 289-9881

THE LIVINGSTON GROUP, LLC PROVIDES REPRESENTATION FOR THE ASSOCIATION OF ENTERPRISES UKRMETALURGPROM (A UKRAINIAN TRADE ASSOCIATION) IN ORDER TO ADVANCE THE BILATERAL TRADE RELATIONSHIP BETWEEN THE GOVERNMENTS OF THE UNITED STATES AND UKRAINE. ADDITIONAL INFORMATION IS AVAILABLE AT THE DEPARTMENT OF JUSTICE, WASHINGTON, DC.

## [EXTERNAL] RE: Meeting request for Ukrainian Trade Representative Natalia Mykolska

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**From:** "Graham, Jane" <jgraham@livingstongroupdc.com>  
**To:** "Bacak, Abigail R. EOP/USTR" <abigail.r.bacak@ustr.eop.gov>  
**Date:** Thu, 31 May 2018 10:47:33 -0400

Thanks for letting us know, Abby.

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**From:** Bacak, Abigail R. EOP/USTR [mailto:Abigail.R.Bacak@ustr.eop.gov]  
**Sent:** Thursday, May 31, 2018 10:43 AM  
**To:** Graham, Jane; Guy, Trevor T. EOP/USTR  
**Subject:** RE: Meeting request for Ukrainian Trade Representative Natalia Mykolska

Unfortunately the Ambassador is unable to meet next week.

Thank you,

Abby

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**From:** Graham, Jane <jgraham@livingstongroupdc.com>  
**Sent:** Thursday, May 31, 2018 10:44 AM  
**To:** Guy, Trevor T. EOP/USTR <Justin.T.Guy@ustr.eop.gov>; Bacak, Abigail R. EOP/USTR <Abigail.R.Bacak@ustr.eop.gov>  
**Subject:** [EXTERNAL] RE: Meeting request for Ukrainian Trade Representative Natalia Mykolska

Dear Trevor – Just wanted to circle back to see if the Ambassador might have a few minutes to meet with Ms. Mykolska next Tuesday or Wednesday.

Thanks for checking.

Jane

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**From:** Graham, Jane  
**Sent:** Wednesday, May 23, 2018 11:57 AM  
**To:** 'Guy, Trevor T. EOP/USTR'; Bacak, Abigail R. EOP/USTR

**Cc:** Fitz-Pegado, Lauri; Kingsbury, Cathryn

**Subject:** RE: Meeting request for Ukrainian Trade Representative Natalia Mykolska

Dear Trevor - Due to unexpected circumstances Deputy Minister Mykolskaya had to postpone her visit until June. Would Mr. Lighthizer be available on June 5 or 6?

Thank you for your consideration.

Regards,  
Jane

*Jane Graham*  
*The Livingston Group*  
*202-289-9881 x3122*

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**From:** Guy, Trevor T. EOP/USTR [mailto:Justin.T.Guy@ustr.eop.gov]

**Sent:** Friday, May 18, 2018 5:27 PM

**To:** Livingston, Robert; Bacak, Abigail R. EOP/USTR

**Cc:** Fitz-Pegado, Lauri; Kingsbury, Cathryn; Graham, Jane

**Subject:** RE: Meeting request for Ukrainian Trade Representative Natalia Mykolska

Good Evening Mr. Livingston,

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Best Wishes,

Trevor Guy.

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**Sent:** Friday, May 18, 2018 9:54 AM

**To:** Bacak, Abigail R. EOP/USTR <Abigail.R.Bacak@ustr.eop.gov>; Guy, Trevor T. EOP/USTR <Justin.T.Guy@ustr.eop.gov>

**Cc:** Fitz-Pegado, Lauri <lfitzp@livingstongroupdc.com>; Kingsbury, Cathryn <ckingsbury@livingstongroupdc.com>; Graham, Jane <jgraham@livingstongroupdc.com>

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